

**CITY OF SHOREVIEW  
MINUTES  
REGULAR CITY COUNCIL MEETING  
May 20, 2013**

**CALL TO ORDER**

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on May 20, 2013.

**PLEDGE OF ALLEGIANCE**

The meeting opened with the Pledge of Allegiance.

**ROLL CALL**

The following members were present: Mayor Martin; Councilmembers Johnson, Wickstrom and Withhart.

Councilmember Wickstrom arrived late.

Councilmember Quigley was absent.

**APPROVAL OF AGENDA**

Mayor Martin requested a brief discussion of scheduling during the week of July 4th.

MOTION:     by Councilmember Withhart, seconded by Councilmember Johnson to approve the May 20, 2013 agenda as amended by Mayor Martin.

VOTE:         Ayes - 3                      Nays - 0

**PROCLAMATIONS AND RECOGNITIONS**

Mayor Martin introduced City Attorney Pat Kelly.

**CITIZEN COMMENTS**

There were none.

**COUNCIL COMMENTS**

**Mayor Martin:**

The Shoreview Concerts in the Commons series will begin Wednesday, June 12, 2013, with Dan Perry and the Ice Cream Band. Shoreview Community Foundation members will be present to hand out free ice cream.

The Farmers' Market begins Tuesday, June 11, 2013 from 3:00 pm to 7:00 pm.

Noted that the closing of Highways 10 and 96 has impacted traffic in Shoreview. The City has also learned that Mn/DOT will be closing westbound traffic on I-694 at Lexington. Traffic will be detoured to County Road F to Victoria. The City is monitoring all traffic detours. A three-way STOP sign has been placed at County Road I and Hamline to help traffic in that area.

Hockey rinks at Bucher Park, Wilson Park and Bobby Theisen Park are again open for off-leash dog play areas.

**Councilmember Johnson:**

The Shoreview Business Exchange will meet on Thursday, June 6, 2013, at the Hilton Garden Inn. This is an opportunity for business owners, City staff, Councilmembers and members of the Economic Development Commission to have dialogue about common issues.

**Councilmember Withhart:**

Last Saturday was the Spring Cleanup Day. In spite of the bad weather, there was one of the best turnouts ever for a very successful event.

Councilmember Withhart stated that he will be absent for the June 3rd Council meeting.

**CONSENT AGENDA**

Item No. 6, Acceptance of the Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012, was pulled for a brief discussion.

Councilmember Wickstrom arrived at this time and noted a correction of the spelling of Ms. Schaff's name in the May 6, 2013 meeting minutes. The correct spelling is Schaff, not Shaff.

Councilmember Withhart congratulated Finance Director Jeanne Haapala and her staff for the excellent audit report.

Mayor Martin added that the financial report will be available online and includes a lot of useful information.

**MOTION:** by Councilmember Withhart, seconded by Councilmember Johnson to approve the Consent Agenda for May 20, 2013, and all relevant resolutions for item Nos. 1 through 9, with the noted correction to the May 6, 2013 City Council meeting minutes:

1. May 6, 2013 City Council Meeting Minutes
2. Receipt of Committee/Commission Minutes:
  - Planning Commission, April 23, 2013
  - Planning Commission, April 30, 2013
  - Lake Regulations Committee, May 9, 2013
3. Monthly Reports:
  - Administration
  - Community Development
  - Finance
  - Public Works
  - Park and Recreation
4. Verified Claims in the Amount of \$1,028,790.37
5. Purchases
6. Accept Comprehensive Annual Financial Report for Fiscal Year Ended December 31, 2012
7. Agreement with Ramsey County for Water Patrol Services
8. Conditional Use Permit - Thomas and Linda Ritchie, 5186 Lexington Avenue
9. Conditional Use Permit - Michael Keene, 5345 Hodgson Road

VOTE:           Ayes - 4                      Nays - 0

## **PUBLIC HEARINGS**

### **APPROVAL OF OFF-SALE LIQUOR LICENSE - JJ'S WINE AND SPIRITS, 167-169 WEST COUNTY ROAD E**

City Attorney Kelly stated that he has reviewed the affidavit of publication, and the public hearing is in order.

City Manager Schwerm stated that an application has been received for a liquor license for a new liquor store. Background checks have been conducted. The store owners are aware of the City's ordinances regarding no access to alcohol by youth. Ms. Lucas is purchasing the stock of Walt's Liquor on Gramsie Road, which will be closing. The City only allows five off-sale liquor licenses. With Walt's Liquor closing, this will be the fifth and final off-sale liquor license location. Insurance documents will be provided prior to issuance of the license. Staff is recommending approval.

Mayor opened the public hearing. There were no comments or questions

MOTION:       by Councilmember Wickstrom, seconded by Councilmember Withhart to close the public hearing at 7:15 p.m.

VOTE:           Ayes - 4                      Nays - 0

Councilmember Wickstrom stated that she would like to be sure the applicant understands how seriously the City regards compliance checks and no sales to minors. Ms. Lucas stated that she and her husband have both participated in training on this issue.

Councilmember Withhart asked if this license application is contingent on the closing of Walt's Liquor. Mr. Schwerm stated that the old store will have to close before the new license can be issued.

Ms. Lucas added that the owner of Walt's Liquor has signed a letter of endorsement to her to assure her that the store will close.

MOTION: by Councilmember Withhart, seconded by Councilmember Johnson to approve the application for an off-sale liquor license for JJ's Wine and Spirits located at 167-169 West County Road E, Shoreview, Minnesota.

ROLL CALL: Ayes: Johnson, Wickstrom, Withhart, Martin  
Nays: None

**AUTHORIZE PROPERTY CONDEMNATION ACTION - RICHARD MCGUIRE, 3339 VICTORIA STREET**

**Presentation by Asst. City Manager/Community Development Director Tom Simonson**

This is a continuation of a public hearing the Council was requested to open last month to formally authorize condemnation of property. There is long standing maintenance and public nuisance problems with the property. The City has had repeated code enforcement and legal actions against this property for over two decades. The City was granted a Court Order in 2000 to "take all steps necessary and reasonable to bring the property into compliance" with City Codes. Since that time, the City has initiated three separate abatement actions--in 1999, 2007 and 2009.

The property owner has executed a Confession of Judgment with Ramsey County to make payments on special assessments and past due property taxes in order to avoid forfeiture. The property is current on annual payments in compliance with the County's schedule. The property owner is delinquent on some utility fees.

An Administrative Search Warrant was executed in March 2013, when it was determined that the property is not habitable. The property was posted as "uninhabitable" with access restrictions and no overnight living allowed.

The City has been negotiating for several years to purchase the property. Good progress has been made in the last month since the opening of this public hearing. It is hoped to continue negotiations and avoid the condemnation process. It is noted that the City does have a CDBG grant from Ramsey County to assist with the purchase of the property. The City is committed to work with the neighbors regarding cleanup and redevelopment of the property. The City has had the property appraised. The value of the land is appraised at \$150,000.

The property owner was notified on March 12, 2013 of these proceedings. The public hearing opened last month has been continued 30 days to this meeting. Staff is recommending going

forward with condemnation proceedings. The Economic Development Authority (EDA) also discussed this matter at their May 13th meeting and supports acquiring the property through negotiations, which are preferred, or condemnation.

Councilmember Wickstrom asked about the delay in negotiations. Mr. Simonson responded that the matter is complicated with the property owner having to find a new location and where items can be stored. There is agreement on financial terms.

Mayor Martin opened the discussion to public comment.

**Ms. Nancy Barentine**, 3325 Victoria, noted the property owner's van is at the house at night and first thing in the morning and asked if the property owner is living at the property. She also asked the time line for negotiations.

**Mr. Richard McGuire** stated that he is pleased to complete the process. He is looking forward to moving. In response to Ms. Barentine's question, he stated that he is staying with a friend at night.

**MOTION:** by Councilmember Johnson, seconded by Councilmember Wickstrom to close the public hearing and adopt Resolution 13-49 authorizing condemnation of property at 3339 Victoria Street North to resolve the long-standing public nuisance and mitigate the blighted conditions that exist on the property.

Discussion:

Mr. Simonson explained that the condemnation action starts the countdown. The City will have a short window to allow friendly negotiations before a petition is filed in court, which starts an automatic clock. It is hoped that an agreement can be reached that addresses Mr. McGuire's needs.

Councilmember Withhart stated that this action is not taken lightly. He cannot remember in 23 years of having to decide a condemnation. This is the first one. The deadline will be dictated by the court. Any negotiation must be done before the court decision.

City Attorney Kelly stated that when the City files a petition, it will normally be heard within a three- to four-week period. A Quick-Take process can be used that will be completed in 90 days once a deposit is made with the court. He observed that negotiations with the property owner are going well.

**ROLL CALL:** Ayes: Wickstrom, Withhart, Johnson, Martin  
Nays: None

**GENERAL BUSINESS****TEXT AMENDMENT - RESIDENTIAL BUILDING SETBACKS****Presentation by Asst. City Manager/Community Development Director Tom Simonson**

The purpose of the proposed amendment is to relax certain structure setbacks for single-family residential properties in order to provide flexibility that encourages homeowners to reinvest in their homes with additions. Expansion of older homes can be difficult due to location of the home on the property and floor layout. Also, some neighborhoods have streets with wide rights-of-way. The zoning districts this amendment would apply to would be R1, R2 and RE districts.

The first part of the amendment would reduce the minimum front setback from 30 to 25 feet and would apply to both local and collector streets. This is done already in some neighborhoods where local streets are narrower.

The second provision in the amendment would allow properties adjacent to 60-foot road rights-of-way on local roads to reduce the front yard setback to 20 feet as long as there is a minimum 35-foot setback from the road surface.

The Planning Commission reviewed the amendment at its April 23, 2013 meeting. Discussion on building height resulted in the Planning Commission requesting staff to revise the provision for setbacks of one-story structures from side property lines and provide a better definition of height. The amendment for approval includes the changes recommended by the Planning Commission. Staff is recommending approval.

**MOTION:** by Councilmember Withhart, seconded by Councilmember Wickstrom to adopt Ordinance No. 907, revising Chapter 200 of the Municipal Code, specifically Section 205.080, 205.081, 205.082, 205.083, 207.050, and 209.080 regarding residential setbacks and to authorize publication of an Ordinance Summary.

**ROLL CALL:** Ayes: Withhart, Johnson, Wickstrom, Martin  
Nays: None

**ACCEPT BASE BID, AUTHORIZE CONSTRUCTION CONTRACT, APPROVE C.O. #1, AND AUTHORIZE PURCHASE OF SIGNAL EQUIPMENT - OWASSO STREET, COUNTY ROAD E, VICTORIA STREET RECONSTRUCTION, CP 09-12****Presentation by Public Works Director Mark Maloney**

As of today, the TIF Development Agreement, Escrow Erosion Agreement, Assessment Agreement, and Site Development Agreement are all in place and backed by a Letter of Credit. The public improvement part of this project will realign Owasso Street with the intersection to County Road E at Victoria Street.

The plans and specifications for this project were approved by the Council in March 2013. The proposed change order for approval is work that was taken out of the contract to be done by the private sector but is now back in the contract. The second approval is for advance purchase of street signal equipment.

Bids were opened April 4, 2013. Three bids were received. The low bid was from Arnt Construction Co., Inc. in the amount of \$1,768,830.49. This compares favorably to the Engineer's Estimate of \$1,859,304. Change Order No. 1 is bid in the amount of \$410,428.55. The total construction contract is \$2,179,259.

Also included is a contract with CP Rail for a railroad crossing and signal at \$345,171; advance purchase of street signal equipment at \$32,250; purchase of right-of-way and easements at \$110,376; engineering for design and construction at \$427,500; and relocation of private utilities at \$28,406. The total project cost is estimated at \$3,122,962.

Funds to support the project are as follows:

TIF	\$1,087,000
Livable Communities Grant (from Metropolitan Council)	\$ 452,550
Ramsey County	\$ 360,000
Assessments (Estimated)	\$1,223,412

This provides the total estimated funding of \$3,122,962.

Staff is recommending acceptance of the low bid from Arnt Construction and approve Change Order No. 1 and authorize advance purchase of the signal equipment.

Mayor Martin asked if the change order amount is the same amount that was estimated by the engineer. Mr. Maloney explained that the amount is a little higher but reasonable. This portion of the project is being funded in the same way whether constructed through the public improvement or privately.

Councilmember Withhart noted that the amount of TIF funding will be paid back. City Manager Schwerm stated that it will be paid over a period of 25 years. Councilmember Withhart added that this is the purpose of TIF funding and was recognized with the Livable Communities Grant.

Councilmember Wickstrom asked if the increased traffic on Victoria from the closing of the ramp at I-694 and Lexington will impact this project. Mr. Maloney responded that this project is on a fast track. Some aspects of the scheduling are not set.

**MOTION:** by Councilmember Johnson, seconded by Councilmember Wickstrom to adopt Resolution No. 13-40, accepting the base bid from Arnt Construction Company for the Owasso Street, County Road E, and Victoria Street Construction Project, City Project 09-12, authorizing the Mayor and City Manager to execute a construction contract in the amount

of \$1,768,830.49, approving change order #1 in the amount of \$410,428.55, and authorizing purchase of street signal equipment.

ROLL CALL: Ayes: Johnson, Wickstrom, Withhart, Martin  
Nays: None

**APPROVE PLANS AND SPECIFICATIONS AND ORDER TAKING OF BIDS - 2013  
STREET REHABILITATION AND THE GASTON, GROVE, ST. ALBANS WATER  
MAIN EXTENSION, CITY PROJECTS 13-02 AND 13-03**

**Presentation by Public Works Director Mark Maloney**

This is two projects consisting of the street rehabilitation and water main extension. The water main is tracked as a separate project for the purpose of assessments. The feasibility study has been completed and accepted by the City Council.

Approximately 6.35 miles of street is scheduled in this project for rehabilitation--2.25 miles of MSA roads and 4.1 miles of local streets. The project also includes the entrance roads and parking areas for Wilson and McCullough Parks. The water main portion is to serve 14 lots in the neighborhood of Gaston, Grove and St. Albans.

The rehabilitation will consist of full-depth reclamation with emulsion and a new bituminous surface. This includes curb replacement and storm sewer repair as needed. The water main will be installed using the direct drill method with installation of fire hydrants in the road right-of-way. The direct drill method does not require digging up the road.

The road rehabilitation cost is \$3,200,000 with \$2,500,000 from Street Improvement Funds and \$700,000 from MSA funds. The water main extension is estimated at \$98,000, to be funded through special assessments to 14 benefitting properties. The 2013 Capital Improvement Program allocates \$281,000 for parks, which will pay for the new entrances and parking area improvements. All parts of the project will be administered as one, but costs will be kept separate. The total project cost is estimated at \$3,579,000.

The project schedule:

Bid Open	June 13, 2013
Contract Award	June 17, 2013
Construction Start	July/August 2013
Final Completion	September 2013
Assessment Hearing	September 2014

Staff is recommending approval of the plans and specifications presented and authorize taking of bids for City Projects 13-02 and 13-03.

Councilmember Withhart requested that Mr. Maloney discuss communications with the neighborhood at a future Council workshop.



**MOTION:** by Councilmember Withhart, seconded by Councilmember Johnson to adopt Resolution No. 13-48 approving plans and specifications for the 2013 Street Rehabilitation and the Gaston, Grove, St. Albans Water Main Extension, City Projects 13-02 and 13-03, and ordering the taking of bids on Thursday, June 13, 2013 at 10:00 a.m., at the Shoreview City Hall.

**ROLL CALL:** Ayes: Wickstrom, Withhart, Johnson, Martin  
Nays: None

**AUTHORIZATION FOR JOINT POWERS AGREEMENT WITH NORTH OAKS FOR WATER CONNECTION FOR CHARLEY LAKE PRESERVES**

**Presentation by Public Works Director Mark Maloney**

The proposed joint powers agreement would be for water connection to a large residential development in North Oaks. The project area is located north of Peace United Methodist Church on Hodgson Road. The development would be 63 single-family lots. With access to the Metropolitan Council sewer, no septic systems or private wells are proposed. There is, however, the need for City water.

Staff has reviewed the request and, based on an independent analysis, finds that the Shoreview water system has the capacity to serve this development. No adverse impacts on Shoreview infrastructure and customers are anticipated. A joint powers agreement for this development would be similar to the one established in 1991 for the Village Center. North Oaks is responsible for the infrastructure. The water meters at the property line will be owned by Shoreview. There is a connection fee of \$67,327 and a use charge at 25% of the surcharge per Council policy on the same tier rates as charged in Shoreview. The agreement covers provision of water only to the Charley Lakes Preserve, no other development or area in North Oaks. Staff is recommending approval.

Mayor Martin requested further information on how staff determined that this service will not impact water supply for Shoreview residents. Mr. Maloney explained that Shoreview's supply is based on six deep wells in the Jordan Aquifer. The infrastructure was based on a population of approximately 30,000. The population of Shoreview is approximately 26,000, and the City can comfortably meet adding water service to this development. Mr. Schwerm noted that a benefit to Shoreview is added revenue, which will help moderate rate increases in the future. If this service were not provided, shallower wells would be dug and residents of the new development would also not pay for higher usage of water. This agreement should help keep water use reasonable.

Councilmember Withhart noted that the ground water in North Oaks flows through Shoreview. North Oaks has thousands of septic systems that could impact that ground water. This service will prevent contamination of shallow aquifers that would impact Turtle Lake and will prevent reducing water levels through shallow wells that would also impact Turtle Lake.

Councilmember Wickstrom asked if this demand would mean an additional water tower in the future. Mr. Maloney answered, no. The track the City is on for water treatment is not impacted. No added infrastructure in Shoreview is necessary. Two water meters only will be needed.

Councilmember Johnson noted that the joint powers agreement with North Oaks for Village Center for over 20 years speaks well for the relationship between the two cities, and she is pleased to see this added revenue for Shoreview.

**MOTION:** by Councilmember Withhart, seconded by Councilmember Johnson to authorize the Mayor and City Manager to execute a Joint Powers Agreement with the City of North Oaks for Charley Lakes Preserve water connection.

**ROLL CALL:** Ayes: Withhart, Johnson, Wickstrom, Martin  
Nays: None

### **APPROVAL OF LIQUOR LICENSE RENEWALS**

City Manager Schwerm reported that liquor license renewals expire June 30, 2013. Approval is being requested for the following licenses: 5 On Sale Intoxicating; 3 Off Sale Intoxicating; 2 Off Sale 3.2 Malt Beverage; 1 On Sale 3.2 Malt Beverage; and 4 On Sale 3.2 Malt Beverage and Wine. Background checks have been completed on managers, which show no violations. Police reports have also been reviewed and show no causes for any concern. License fees have been paid and insurance information received.

Councilmember Withhart stated that he was in Red Ginger yesterday, and although the On Sale 3.2 Malt Beverage and Wine license does not allow it, hard liquor is being offered, although he did not order it. Mr. Schwerm requested holding off on that license renewal to check to see if Red Ginger has the appropriate license. A different license may be required for Red Ginger.

Councilmember Johnson asked the frequency for compliance checks. Mr. Schwerm responded that City Code requires two compliance checks per year. He will verify the results with the Sheriff's Department. There are set penalties in place. Renewal would not be denied until there have been a certain number of violations.

**MOTION:** by Councilmember Johnson, seconded by Councilmember Wickstrom to approve the following liquor license renewals, with the exemption of Red Ginger China Bistro, for the license term of July 1, 2013 through June 30, 2014:

Green Mill Restaurant	On Sale Intoxicating and Sunday
Meister's Bar and Grill	On Sale Intoxicating and Sunday
Hilton Garden Inn	On Sale Intoxicating and Sunday

Red Robin	On Sale Intoxicating and Sunday
Kozlak's	On Sale Intoxicating and Sunday

Bacchus Wine and Spirits	Off Sale Intoxicating
Back Yard Liquor	Off Sale Intoxicating
Rice Creek Liquor	Off Sale Intoxicating
Target	Off Sale 3.2 Malt Beverage
Rainbow Foods	Off Sale 3.2 Malt Beverage
Island Lake Golf Course	On Sale 3.2 Malt Beverage
Mansetti's Pizza and Pasta	On Sale 3.2 Malt Beverage and Wine
Wok Cuisine	On Sale 3.2 Malt Beverage and Wine
Chipotle Mexican Grill	On Sale 3.2 Malt Beverage and Wine

ROLL CALL:       Ayes: Johnson, Wickstrom, Withhart, Martin  
                      Nays: None

### **SPECIAL ORDER OF BUSINESS**

Mayor Martin noted that Councilmember Johnson would be absent for the July 1st meeting. All other Councilmembers will be available, and the regular Council meeting on July 1 will be held.

### **ADJOURNMENT**

MOTION:       by Councilmember Withhart, seconded by Councilmember Johnson to adjourn the meeting at 8:35 p.m.

VOTE:         Ayes - 4                   Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 3rd DAY OF JUNE 2013.

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Terry C. Schwerm  
City Manager